A8010-3
3/1c/188

Nursing HEALTH CARE

VOLUME 9, NUMBER 3 MARCH 1988

Delivering Economics to the Classroom

12/99 PMS 90-11063
EDWARD KIANKA EDITOR 3DG
ACQUISITIONS REFERENCE INDEX
STATISTICAL INFO SERVICE
CONGRESSIONAL
4520 EM HIGHWAY SUITE 800

Official Publication of the National League for Nursing

Nursing & HEALTH CARE

VOLUME 9, NUMBER 3 MARCH 1988

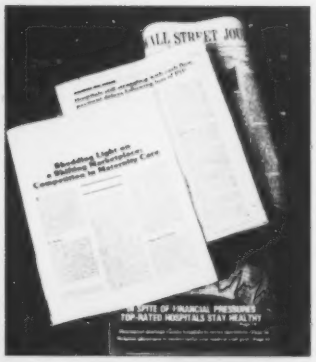
Cover Story

Delivering Economics to the Classroom

The authors of this month's cover stories argue that, to advance, nursing has to recognize real-world realities and teach its students to face them head-on. **Pages 126 and 132.**

CONTENTS

Features

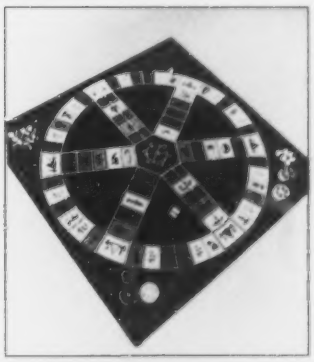


126

The Language of the Marketplace

The author offers several compelling arguments for including economics as a course requirement in nursing programs.

Diane O. McGivern



142

Pursuing Accreditation

Trivial Pursuit™ proved to be this nursing program's answer to getting students involved in the accreditation process.

Linda T. Fitzgerald
Cynthia D. McCurren

132

A New Lesson Plan

Educating nurses to compete in a reshaped system depends on nursing's ability to link educational goals with the needs of the marketplace, says the author.

Jeannine Greenfield

146

A Win-Win Partnership

The author describes a partnership between a nursing center and a child development center in which everyone wins.

Sara E. Barger

136

A Valid Profession

Despite the responsibilities that come with establishing diagnoses, the author sees little evidence that nurses have seriously considered the issue of validating them.

Anayis Derdiarian

Departments

121 Guest Editorial
122 Letters
123 Washington Focus
152 NLN Perspective
158 News
161 The Marketplace
163 Accredited PN Programs
167 Classified

NURSING & HEALTH CARE offers diverse views on subjects of interest to readers. Articles represent the opinions of individual contributing authors and are not necessarily those of the National League for Nursing.

Teaching Nurses the Language of the Marketplace

DIANE O. MCGIVERN

The notion of adding one more course to nursing curricula that will give absolutely necessary new information should, at the very least, make educators wary. Economics might be the latest in a long line of subjects, including ethics, the legal aspects of practice, computers, and health policy, that we try to force into already overloaded programs of study. However, there are several compelling reasons to include economics as a course requirement in nursing programs.

Edwin Mansfield has explained that "Economics promotes a better understanding of the nature and organization of our society and other societies, the arguments underlying many of the great public issues of the day, and the operation and behavior of business firms and other decision making units [1]." Although some health care professionals question whether economics should apply to health care, we can fit the notion of health care services into Mansfield's description. This definition, which is consistent with nursing's appreciation of the relationship between human beings and their environments, also provides us with another interpretation of behavior—the economic behavior of the health care market. Such disinterested explanations of our professional environment give some balance to nurses' occasionally paranoid view of themselves as victims in the health care system.

The second reason for including economics in nursing curricula is the fact that the people who make the decisions that affect the system consider health care a commodity over which providers and consumers bargain. Health care economists and policy analysts agree that the decision makers will hold this economic view of health care throughout our professional lifetimes.

A third argument for incorporating economics into nursing curricula is that appreciating and using economic theories will help the profession advance. Analyzing the health care system in economic terms gives nurses a broadly accepted point of view—that of providing non-nursing arguments consistent with nursing's goals. For example, from the economic point of view, the health care industry is not performing well because entry into the system is restricted and because the industry is inefficiently organized. Using nonphysician providers can increase physician productivity, reduce health care costs, and increase the supply of services [2]. This has been one of nurses' hypotheses, but, when we put it as an economic argument, health care economists and policy analysts can accept it, or at least understand it.

The economic viewpoints and language a variety of disciplines share provide a common ground from which to look at issues, which can make nursing more persuasive. Nursing's policy statements that have focused on normative rather than on positive economics or on a recognition of both have not received full recognition. Using positive economics, individuals predict, describe, or explain economic behavior. We can test propositions in positive economics by an appeal to fact. On the other hand, using normative economics, individuals make statements about what ought to be, or about what a person, organization, or nation ought to do. With normative economics, the results we get depend on our values or preferences.

We can all probably think of examples of how the authors of organi-

Diane O. McGivern, PhD, RN, FAAN, is the head of the Division of Nursing at New York University in New York City.

zations' policy statements have confused positive and normative economics. For example, a policy that includes a testable economic statement might read, "We are concerned about X problem in industry because the resulting unemployment will cause some percentage of the population to lose all health care insurance. Loss of insurance coverage has been shown to lead to an increase in low birthweights." A less-effective policy statement based on an organization's or the profession's values might read, "We believe that the government must extend Medicaid benefits to cover all unemployed and uninsured individuals for the next 18 months."

To determine whether the arguments I have presented are compelling enough to warrant integrating economics into baccalaureate and master's curricula, we have to look at what typically is included in economics and health care economics courses and to see if those topics are relevant to the current health policy issues and discussions nurses feel they should be involved in.

Nurses have based our agenda and policy discussions on our strongly held set of values, and we have insisted that policy and financing follow our normative guidelines. To participate seriously in the public and health policy arena, we must be conversant with the vocabulary, the analytic style, and the history of the issues.

Finally, I believe that practitioners in any field are empowered by their knowledge of the industry's workings. Understanding economic principles that are neutral and independent should reduce the professional and personal paranoia that sometimes characterize nurses' actions on behalf of our profession and of the consumers of health care services.

Fairness dictates that I also look at the arguments against taking economics or health care economics into the curriculum. The first and probably universal reaction among directors of nursing and school of nursing faculties is, "there is no room for one more."

The second compelling argument for not endorsing economics or health care economics as a curricular requirement is that not all institutions have departments of economics or the faculty members to teach the material. This is certainly not a discipline to be taught interpretatively by nursing faculty members. In addition, a variety of health care providers have argued against such a nonclinical addition to health professions' curricula, holding that clinicians should not be involved with the economic aspects of services, but rather should be concerned with quality, equal access, and expanding the availability of services.

We should not decide this issue yet, based on my arguments or those of others. Before we decide, we have to examine the descriptions of practitioners with baccalaureate and master's degrees to see how economics or health care economics might fit into their educations and into their practice.

Undergraduate Education

A series of reports done by the American Association of Colleges (AAC), the Carnegie Foundation, and others, and the efforts of institutions such as the University of Pennsylvania, Harvard University, and Brooklyn College, point to a rising concern about the cohesive and intellectual coherency of undergraduate education generally. Explicit in this reexamination of undergraduate curricula is criticism of most education programs as too technical or too profession- or career-oriented. Nursing educators have espoused marrying liberal education to professional preparation, but general educators question how feasible our goals are in this regard.

The authors of the AAC report propose that a minimum required program for all undergraduates would consist of intellectual, aesthetic, and philosophical experiences and not just a set of required courses [3]. They suggest nine essential experiences; among them are at least two that are consistent with inquiry and logical thinking and with understanding numerical data. Although the report authors state clearly that they are not proposing a specific subject for the curriculum, they say, "... we are arguing for a recognition throughout the course of study of the necessity for sharpening the ability of students to understand numerical data, recognize their misuse, the multiple interpretation they often permit, and the way they can be manipulated to mislead ... in a world of numbers students should encounter concepts that permit a sophisticated response to arguments and positions which depend on numbers and statistics [4]."

The emphasis on reevaluating education for personal and professional development has been a theme of many nursing studies as well. Although several of the investigations are in progress, the researchers have released findings for comment. In a project for the American Association of Colleges of Nursing (AACN), which defined the essentials of higher education for nursing, the investigators list 12 essential components of liberal education. In one, they expect students to understand "mathematical concepts, interpret quantitative data, and use computers and other information technology"; in another, they expect students to understand "current social, political, and economic issues and use knowledge about them to participate in their resolution [5]."

In the report of the Institute of Medicine's (IOM's) 1983 study, the IOM's Committee on Nursing and Nursing Education urged that individually and collectively nurses put in place changes in health services delivery and engage in research activities and policy initiatives, all of which require an understanding of economics and the economics of the delivery system [6]. The researchers who did the American Nurses' Association's (ANA's) recent survey on scope of practice listed some behavioral statements that assume

knowledge of the economic determinants of practice. The statements apply to practitioners in all levels of nursing practice.

The support I have cited for economic content is largely implicit—researchers who conduct general education and nursing education studies value information about economics, but they do not specifically recommend a prescribed set of courses. And, interestingly enough, they do not discuss their own assumptions that knowledge of economics is basic to their recommendations.

The same implicit expectation holds for new graduates with baccalaureate degrees. Clinical directors, supervisors, and vice presidents for nursing describe practice settings as economically determined, but they do not get specific about what beginning practitioners know about economics and health care economics, or even about what to learn on the job during their first year of practice.

Graduate Education

Master's education is increasingly clinically focused, and appropriately so. The authors of the ANA's social policy statement, published in the early eighties, described the social context, scope of practice, and specialization issues in nursing [7]. Although they outlined five major health care initiatives, which to varying degrees require nursing leadership, in their discussion of specialist master's degrees, they make few references to formal learning or activities relating to the economic determinants of practice.

We can glean what expectations faculties and administrators have for nurses with master's degrees from several sources. One source is the expectation that baccalaureate program faculties will not only understand the significance of economics in clinical practice but also point out application in the clinical courses. Specifically, the authors of the AACN report say that "arts and sciences faculty bear responsibility for the liberal education ... but professors of nursing must respect and model the enlightened use of that knowledge in their classroom and clinical settings [8]."

There is some evidence that educators are beginning to integrate information into some graduate courses. A survey of graduate programs done by Dunn, Hodges, and Collins produced responses from 72 programs, 49 of which had required or elective courses in health policy [9]. The researchers rank-ordered the topical areas covered by these courses, and the listings that cover economics-related content are interesting (see Table 1). Otto, Andreoli, and Musser later replicated these findings [10].

The Magnet Hospital study provides a description of practice in hospitals. Staff nurses and administrators who described the critical elements of participatory management and leadership emphasized a number of economic components. Directors of nursing expected nurses to offer suggestions for budget planning based on staff nurses' understanding of the total hospital program, nursing, and budgeting. According to the investigators, "With such knowledge and involvement, the staff are expected to deliver high quality care and control costs [11]."

To determine whether these arguments are compelling enough to warrant integrating health care economics into baccalaureate and master's curricula, we have to look at what typically is included in economics and health care economics courses and to see if those topics are relevant to the current health policy issues and discussions nurses feel they should be involved in.

Topics in Economics

In microeconomics courses, baccalaureate or master's students will learn about:

- Economic models, including capitalism
- How the price system negotiates supply and demand
- The economic role of government and what functions the government should perform
- Organization, motivation, and technology in business
- Market demand
- The elasticity of demand and supply
- Cost analysis
- Consumer choice
- Competition
- Monopolies
- Determinants of wages
- Interest
- Income inequality, poverty, and discrimination

Some topics that might be included in a health care economics course are:

- Applied economic analysis—the distinctive economic characteristics of the health care industry
- Cost-benefit and cost-effectiveness analysis—measuring the impact of health programs
- Demand analysis—determinants of health care use, demand, and supply
- Economic efficiency in care delivery and health manpower use
- Production and costs of hospital services
- Efficiency in delivery and the financing of long-term care
- Competition versus regulation—vouchers, competitive bidding, competition among fee-for-service and capitation providers
- The economics of health insurance
- Reimbursement for hospitals, ambulatory care, and prepaid capitated plans

It is up to us to decide whether this kind of information, in microeconomics and in health care economics, is appropriate information for nurses to have. We would all certainly be more effective health care professionals if we had the background to participate in policy formulation, not only using our clinical nursing experience but speaking and understanding the common language of economists and policy analysts.

Nurses would certainly be more effective professionals if we had the background to participate in policy formulation, not only using our clinical experience but speaking and understanding the language of economists and policy analysts.

I have presented strong circumstantial evidence for the need to include the social science of economics in nursing curricula so that practitioners will be able to work in an industry about

Table 1. Content list: Topics cited in required and elective health policy courses by frequency of citation and rank order

Topic name and frequency	Rank order
1. Health policy defined (35)	1
2. Health decision making and the political structure (34)	2
3. Policy versus politics (34)	2
4. Health care financing (34)	2
5. Congressional process and health policy (32)	3
6. States' roles in health policy (32)	3
7. Types of policies (31)	4
8. Power: the fundamental concept (31)	4
9. Changing roles of consumers, providers, government, and business (31)	4
10. Politics: the allocation of scarce resources (30)	5
11. Agents of power (30)	5
12. Political savvy—survival tips (30)	5
13. Lobbyists and lobbying: nursing's effectiveness (29)	6
14. Social roles and responsibilities of government and citizens (29)	6
15. Historical review of U.S. health policies and programs (29)	6
16. Trends in organization and financing of health care (29)	6
17. Issues in nursing practice (28)	7
18. Competition versus regulation of health care (28)	7
19. Implementation: rules and regulations, planning, laws (28)	7
20. Participation in policy processes (28)	7
21. State/local political structure (27)	8
22. Political economy of health services (27)	8
23. Regulation/credentialing of services and providers (27)	8
24. Projections related to supply, demand, and future of health care (27)	8
25. Policy processes: formulation, implementation, evaluation (26)	9
26. Roles of government branches (26)	9
27. Values and assumptions underlying policies (25)	10
28. Why study policy making (25)	10
29. Key federal agencies (25)	10
30. Rationing health care services (24)	11
31. Health planning efforts (24)	11
32. Policy spheres, traditional boundaries (23)	12
33. Economic structure/system and policy (23)	12
34. Political participation: women and politics (23)	12
35. Alternative providers and systems of care (22)	13
36. New players: entrepreneurs and corporate interests (22)	13
37. Policy analysis and research (22)	13
38. Competition among providers (21)	14
39. Economic assumptions in market systems (21)	14
40. Rights and privileges in a democratic society (20)	15
41. World health systems: comparative policies (20)	15
42. Distributive justice: the ethics of cost containment (20)	15
43. Models of policy analysis (17)	16
44. Methods/techniques of analysis (16)	17
45. Qualitative versus quantitative methods (15)	18

Source: Solomon, Sally B., and Roe, Susan C. (eds.), Integrating Public Policy into the Curriculum, *New York: National League for Nursing, 1986, 48–49, with permission.*

which they are knowledgeable, shape the practice environment, and participate in institutional and broader-scale health policy formulation.

I believe this topic raises a number of additional questions that are interesting to think about:

- How do professions, including nursing, resolve the clinical and the nonclinical demands of practice?
- How will nursing continue to improve the quality of its practitioners while expanding the knowledge and skills expected of practitioners in the face of a diminished pool of potential practitioners?
- What guidance can we give to nurse educators about the length and content of baccalaureate programs to accommodate the requirements of the more information needed for autonomous practice?
- How best should we help ready faculty members to develop and put in place curricula that respond constructively to the economic and social pressures on health care delivery?
- What can we each do to prepare to participate in the policy discussions about quality and efficiency that are shaping both nursing education and practice?

Nursing will grow strong when we have answered these questions.

References

1. Mansfield, Edwin, *Study Guide for Principles of Microeconomics,* fifth edition, New York: W.W. Norton and Company, 1986, 1.
2. Sharp, Ansel, M., and Leftwich, Richard H., *Economics of Social Issues,* seventh edition, Plans, Texas: Business Publications, 1986, 242-246.
3. Association of American Colleges, *Integrity of the College Curriculum: A Report to the Academic Community,* Washington, D.C.: AAC, 1985, 15-24.
4. See note 3, above, 17-18.
5. American Association of Colleges of Nursing, *Essentials of College and University Education for Nursing. A Working Document,* February 1986, 7.
6. Institute of Medicine Committee on Nursing and Nursing Education, *Nursing and Nursing Education: Public Policies and Private Actions,* 1983,2-23.
7. American Nurses' Association, *Nursing: A Social Policy Statement,* Kansas City, Missouri: ANA, 1980, 3-4, 21-30.
8. See note 5, above, 7.
9. Solomon, Sally B., and Roe, Susan C., *Integrating Public Policy into the Curriculum,* New York: National League for Nursing, 1986.
10. Otto, Andreoli, and Musser, personal communication, November 17, 1986.
11. American Academy of Nursing, *Magnet Hospitals: Attraction and Retention of Professional Nurses, Kansas City, Missouri, 15-17, 41-49.*